



Agenda Date: 4/26/00

Agenda Item: 7-A

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center
Newark, NJ 07102

CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURES OF)
TIME WARNER CABLE TO CONFORM TO N.J.A.C.)
14:18-3.7(A)5, 11, BILLS FOR SERVICE; FORM OF)
BILL, TO CONFORM TO N.J.A.C. 14:18-3.8,)
METHOD OF BILLING, TO CONFORM TO N.J.A.C.)
14:18-3.9(A) DUE DATE OF PAYMENT AND)
NOTICE OF DISCONTINUANCE AND TO)
CONFORM TO N.J.A.C. 14:18-3.24(B), LATE FEES)
FEES AND CHARGES)

ORDER ACCEPTING OFFER OF SETTLEMENT

DOCKET NO. CC00030157

SERVICE LIST ATTACHED

BY THE BOARD:

Time Warner Cable (Time Warner), a multiple system operator with its principle offices located at 200 Roosevelt Place, Palisades Park, New Jersey, is a franchised cable television operator which provides cable services to approximately 56,350 New Jersey subscribers in 14 Communities throughout Bergen and Hudson counties. As a result of a compliance review, the Board's Office of Cable Television Inspection and Enforcement Bureau ("Office") alleged that Time Warner was not conforming to certain provision of N.J.A.C. 14:18-3.7(a)5, 11, N.J.A.C. 14:18-3.8, N.J.A.C. 14:18-3.9(a) and N.J.A.C. 14:18-3.24(b); more specifically, Bills for Service; Form of Bill, Method of Billing, Due Date for Payment and Notice of Discontinuance and Late Fees and Charges. The aforementioned requires all cable systems in New Jersey to conform to these provisions with the intent to provide protection to the cable consumer.

As a result of correspondence and telephone conversations between Time Warner and the Office, Time Warner submitted an Offer of Settlement concerning the following alleged non-conforming practices:

- A. Staff alleges that Time Warner failed to provide the date by which payment is due on monthly billing statements as required by N.J.A.C. 14:18-3.7(a)5 and N.J.A.C. 14:18-3.9(a) which requires a specific due date of fifteen (15) days for payment.
- B. Staff alleges that Time Warner failed to provide the amount of accumulated late charges on monthly billing statements as required by N.J.A.C. 14:18-3.7(a)11.
- C. Staff alleges that Time Warner's billing practices did not conform to N.J.A.C. 14:18-3.7(a) and N.J.A.C. 14:18-3.8. Time Warner failed to generate a monthly

billing statement for subscribers' accounts which reflected a credit balance.

- D. Staff further alleges that Time Warner's billing procedures did not conform to N.J.A.C. 14:18-3.24(b), which concerns late fees and charges.

Time Warner submitted its monetary Offer of Settlement in the amount \$2,000.00 and customer credit adjustments which includes interest in order to resolve all issues concerning the violations alleged by the Office. The \$2,000.00 offered in lieu of any fine which may be imposed under the terms of the New Jersey Cable Television Act, will be paid to the State Treasurer of New Jersey in order to satisfy the alleged non-compliance issues. The company will also issue a one-time credit adjustment to subscribers' accounts in the amount of \$1.55 plus interest for its premature assessment of late fees for an estimated total per subscriber refund of \$1.83. This rebate will be applied to all active subscribers' billing statements as of the date of refund, within sixty (60) days of the Board's acceptance of the Offer of Settlement. The Offer represents a reasonable settlement in view of the alleged violations and the operator's past compliance history. In addition to the monetary settlement Time Warner has taken the following remedial action:

1. Time Warner has taken corrective action to ensure that its subscribers' monthly billing statements reflect the appropriate information, pursuant to N.J.A.C. 14:18-3.7(a), 11, N.J.A.C. 14:18-3.8 and N.J.A.C. 14:18-3.9(a).
2. Time Warner has modified its billing practices and procedures to conform with the regulations which pertain to late fees and charges, pursuant to N.J.A.C. 14:18-3.24(b).

The Office recommends acceptance of this Offer of Settlement based upon the aforementioned commitments and compliance with the New Jersey Cable Act and the New Jersey Administrative Code. The Office will monitor the company's future billing practices and procedures as set forth in the New Jersey Administrative Code.

The Board has reviewed the matter and recommendations of the Office, and **HEREBY FINDS** them to be reasonable. Therefore, the Board **HEREBY ACCEPTS** the Offer of Settlement proffered by Time Warner subject to the following provisions, conditions and/or limitations:

1. Time Warner must tender the \$2000.00 monetary payment to the State of New Jersey within fifteen (15) days of the Board's acceptance of the Offer of Settlement.
2. Time Warner will also issue a one-time credit adjustment denominated "BPU Refund" to active subscribers' accounts in the amount of \$1.55 plus interest for an estimated total per subscriber refund of \$1.83 within sixty (60) days of the Board's acceptance of the Offer of Settlement and inform subscribers of the reason for the credit.

3. Time Warner will within thirty (30) days of effectuating the entire refund to its subscribers, provide proof of the refunds and certify in writing to the Office that the refunds have been completed.
4. The Board's acceptance of the Offer of Settlement is for the purposes of this proceeding only and shall not be construed as limiting the Board's authority in any other matter affecting Time Warner.
5. For the purposes of assessing penalties for future offenses by Time Warner, such future offenses shall be considered subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).

DATED: April 27, 2000

BOARD OF PUBLIC UTILITIES
BY:

(signed)

HERBERT H. TATE
PRESIDENT

(signed)

CARMEN J. ARMENTI
COMMISSIONER

ATTEST:

FREDERICK F. BUTLER
COMMISSIONER

(signed)

EDWARD D. BESLOW, ESQ.
ACTING SECRETARY